

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
Sacramento, CA 94250-5878

DATE: July 26, 2004

PAYROLL LETTER #04-008
CIVIL SERVICE ONLY

TO: All Agencies in the Uniform State Payroll System

FROM: JOHN R. HARRIGAN, Chief
Personnel/Payroll Services Division

RE: **FISCAL YEAR 2004/2005 PAYROLLS**

Effective with the July 2004 master payroll and thereafter, payments and adjustments for the July 2004 pay period and later will be withheld for certain employees who are statutorily exempt from the Fair Labor Standards Act. The pay withholds are a result of the delayed state budget. Departments who have employees that will not be paid until a budget or appropriations bill is enacted can access a ViewDirect report for a list of their affected employees. The report is identified under the ViewDirect Report ID PDW1579-1, FLSA Exempt Employees Not Entitled To Pay Due To Delayed Budget. Departments that do not have affected employees will not have the report listed in their ViewDirect report directory.

To facilitate the pay withhold process, employees who are not to be paid were assigned to work week group '4D98' for identification purposes. On the evening of July 21, 2004, an Employment History Data Base update occurred to post a 355 transaction to change the work week group code on the employees' records. As a result of the 355 transaction, the Document Processing Number was incremented by one. Turnaround PARs were not generated from the mass update.

Once the budget or appropriations bill is enacted, all pay that was withheld will be issued. Should the budget be signed beyond July 30, 2004, the Controller's Office will certify attendance for the affected employees. The 355 transaction will also be voided thereafter.

Please contact Linda Matsuda at (916) 322-6515 or by email at lmatsuda@sco.ca.gov if there are any questions regarding the pay withhold process.

JRH:LMS:PMAB